

REALIZE

MINIMIZE

ORGANIZE

SYSTEMATIZE

OPTIMIZE

In our last newsletter, *Are You Working Too Hard? A Case for Business Optimization*, we introduced you to the Paragon Optimization Process – REALIZE, MINIMIZE, ORGANIZE, SYSTEMATIZE and OPTIMIZE.

In this newsletter, we will discuss REALIZE, the critical first step of our process. The purpose of this step is to become aware of the challenges and problems that are holding your business back from achieving its maximum potential - your business performance barriers. In order to have any significant progress or improvement in a business, as in life, you have to be aware of what is standing in the way of your full potential. Not all performance barriers are readily apparent. Some hide under the surface, causing slow but long-lasting damage. Only when you have identified the performance barriers can you formulate a plan to overcome them, enabling you to make smarter and better decisions.

This is the time to be brutally honest and look inside yourself and your business to find out what is impeding your progress. When doing this, remember that you cannot control your environment; you can only control your own actions. You have to realize that blaming others for the problems in your business is futile; you are ultimately responsible for the state that your business is in. Determining the nature of these problems can be a difficult task to accomplish, but it will produce the most tangible benefits of the Optimization Process. If this first step is not completed thoroughly, you will never be able to fully optimize your business.

One of the most critical things to know when trying to ascertain the problems in your business is the difference between SYMPTOMS and ROOT CAUSES. A symptom describes what is happening or not happening in your business. A root cause tells why those things are happening. Think of symptoms as the pain that you are experiencing in your business and the root cause as the source of the pain. If you do not focus on the root causes, the problems will keep coming back, sometimes with even more severe consequences. Most businesses have a tendency to treat the symptoms, which is why the problems never get solved.

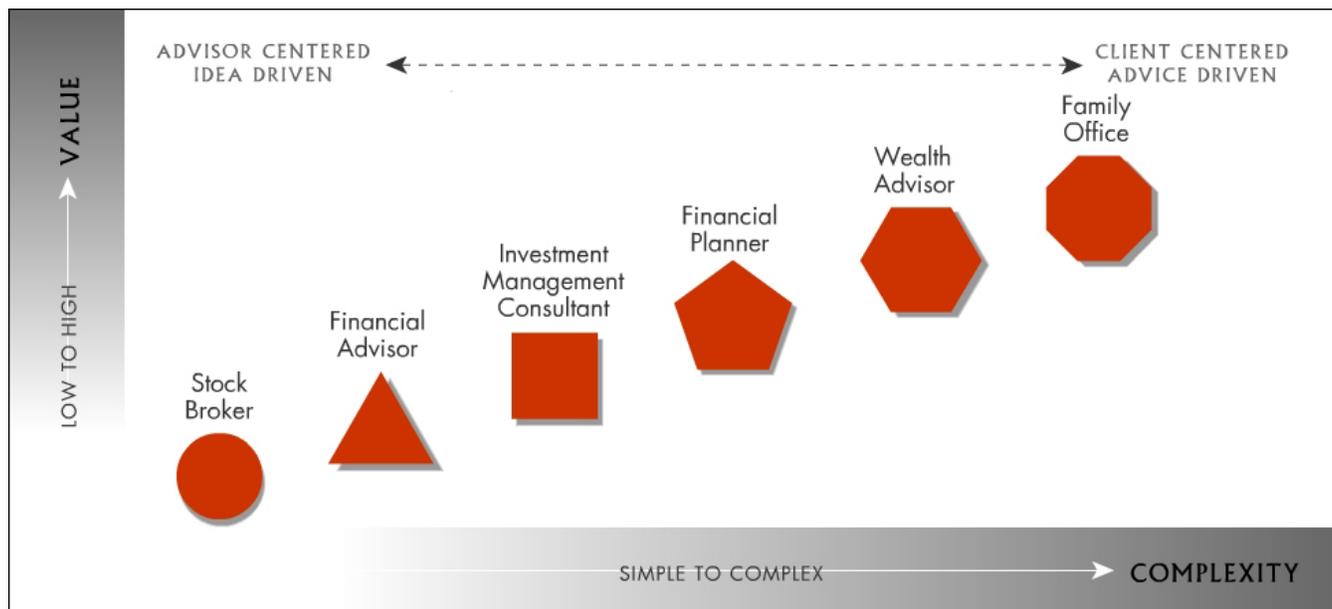
### **Business Obesity**

Working with hundreds of highly successful financial professionals, we have found that Business Obesity is the predominant root cause affecting the success of this industry. So what is Business Obesity? Think of the Sumo Wrestler. They are big and powerful. They are skilled at using their size and power to overcome their opponents in a battle of sheer strength, but how well do you think they would do at running a race? Your business is more like a marathon than a wrestling match. If you want to be able to run that race, you and your business need to be fit and in great shape. We see so many Sumo Advisors out there with far too many clients to effectively manage. If you have more than 200 - 300 clients, you and your business are carrying a fair amount of extra weight. In order to run faster, in order to get your business to grow faster, you are probably going to need to lose some of that weight. If Sumo Advisors were required to take their businesses in for an annual physical, they might take better care of them! Think Quality versus Quantity.

### **Business Model**

Another issue we find while working with advisors is that the structure of the business might be based on outdated, invalid assumptions. You cannot continue to adhere to the assumptions and expectations that defined this industry 20 - 30 years ago. Over the years, the financial industry has been establishing

increasingly more complex business models in an effort to offer more value to the client. Clients with greater assets and more complex needs have been brought in, resulting in more time that needs to be spent with these clients. This creates a problem if the structure of your business cannot meet these expectations. You have to think about how many clients you can effectively manage and the services you want to offer to them. You have to consider the size and capabilities of your team, the division of their roles and responsibilities, and the resources that you need to ensure exceptional client satisfaction with a profit. In order to optimize a business, you have to first define what business you are in and only accept business that fits your model. You have to work within the boundaries and capabilities of your business, and accept the fact that you cannot be all things to all people.



### Margin

Lack of margin, or free time, could also be holding you back. You cannot optimize a business that is in severe overload or stretched beyond its capacity. If you do not have margin in a business, it is impossible to perform at a very high level. Margin is the key to accelerating the growth of your business. Margin gives you the time to do the things that need to be done, such as bringing in those higher revenue clients. If you want to grow a business, and exceed peoples' expectations, you have to make the time to focus on these issues.

### Who me?

Is it possible that you could be doing things that are sabotaging your own progress? You better believe it! Our individual belief systems can keep us from making the best decisions. Where you are today is the sum total of the decisions you have made in the past. Is it possible that you have made inaccurate assumptions that led to poor decisions? Sometimes challenging your beliefs and remaining open to other viewpoints can have a great influence on the choices that you make.

Our own behaviors can also sabotage our progress or interfere with our team's ability to function well. For example, maybe you are someone who has a tendency to over-commit or underestimate how long it takes to complete a task. This creates problems for your team because they have the responsibility and added stress of actually trying to complete the work on time. Become aware of your destructive behaviors, and then ask your team to help you make the needed adjustments so that all of you can become more effective. It is crucial



## Unconventional Wisdom REALIZE: Coming Face-to-Face With Your Performance Barriers

to involve your team in identifying any counterproductive behavior. Most of us are not aware of our blind spots. You cannot do anything about it if you are not aware of it!

As you can see, the REALIZE step is critical in establishing the foundation of Optimization. It allows you to dissect your business and really see what the problems are, even if YOU are the biggest problem. Only when you have achieved this can you move on to the next logical phase, MINIMIZE, which focuses on reducing or eliminating the problems that are holding you back. We will discuss this step in detail in our next newsletter.

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Do you want your business to grow faster? Would you like to spend more time with family and friends or just having more fun? Are you tired of dealing with business problems and personnel issues? If you answered "YES" to any of these questions, *Optimize Your Business :: A Virtual Practice Management Workshop CDROM* is the answer.

*Please phone us at 770.319.0310 or visit our website at [www.ParagonResources.com](http://www.ParagonResources.com) for more information.*

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